

Message

From: Paul Hess [paulehess@verizon.net]
Sent: 9/14/2010 5:12:24 PM
To: 'rick anicetti' [rickanicetti@gmail.com]
CC: libmmg@yahoo.com
Subject: RE: Mozido Ownership Diagram PRIVATE AND CONFIDENTIAL

Ricky,

I should also point out that upon conversion, you will own actual Mozido shares, not Mozido Investment "units". So once you have that (and it is automatic and/or triggered by any kind of actual valuation/liquidity event), there will no longer be any need for all these entities – you will be a serious stockholder of the company. Period.

Once the dust has cleared on my little money raise, probably by the end of this week, I will bug Marcus to get our contracts in place, and your documents for your holdings. I will also ask him to draft a letter for my warrants from you (yay!) so we have that all squared away and can focus on landing monster accounts. If we can get a half dozen major players to use Mozido e-Wallets, we can drive the values into the stratosphere without any stupid investment banks or big investors getting in our way.

And Rick, let's face it, once the big retailers like WM and Krog and Targ and AB are using eWallets (not to mention Barney Google & Snuffy Smith), it will become a whole new world "currency" - EVERYONE will have to have it to stay competitive. Damn scary! Paul

From: Paul Hess [mailto:paulehess@verizon.net]
Sent: Tuesday, September 14, 2010 4:58 PM
To: 'rick anicetti'
Subject: RE: Mozido Ownership Diagram (rough draft and not guaranteed)

That was my understanding at the time. It is not the case. You actually own 5% of Mozido Investments LLC (or Invesco), which owns some 65% of Mozido LLC.

The non-dilutive language refers to your 5% stake in Mozido Investments LLC (or the sister holding company Mozido Invesco LLC – to which Mike placed 120 units for this purpose). Mike could not take on debt or otherwise move shares around in any way that would have the effect of changing your percentage of either of these companies (not sure how you will hold these yet and this is not important – I can work this out with atty George Marcus if need be). So you will always own 5% of this position, but this position could be a smaller percentage of Mozido LLC in the future if a huge investor bought shares of Mozido LLC directly.

The key to this is that Mike is on the exact same side of the table as we are – he is the majority controlling stockholder and will do whatever he can to get the optimal value from his holdings (thus our holdings).

By the way, he did get a verbal today at what he expected from the investment bank. He told me he will likely turn it down since they want to have voting shares and all sorts of bullshit. Now with WM and G in the game here, the valuation will soar so quickly past that number, why bother and why sell anything until we get into the BBBBs?? I agree with him on this.

PH

From: rick anicetti [mailto:rickanicetti@gmail.com]
Sent: Tuesday, September 14, 2010 4:30 PM
To: Paul Hess
Subject: Re: Mozido Ownership Diagram (rough draft and not guaranteed)

Paul,

Very nifty commentary and drawing. Could you help me now understand where my \$1 million stake which at a \$20 million valuation was worth 5% of the company (of which you have 1% in warrants) fits into the equation when, as you mentioned a short while ago, can't be diluted?

Rick

On Sep 14, 2010 4:05 PM, "Paul Hess" <paulehess@verizon.net> wrote:

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> Hi Friends,
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> Pardon the group stealth email but I thought this would be important to send
> out to investors I am referring to Mozido. this could also be subject to
> slight revisions and it is NOT a perfect document, just a quick-snapshot
> picture of the Mozido ownership structure.
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> This is pretty close and at first glance, the Mozido attorney called it
> about as close as it could be without breaking down the tiny percentages.
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> Your investment will be for a percentage of Mozido Investments LLC, which is
> actually only about 65% of Mozido LLC. This is important and I just did not
> understand this before asking all these key questions of the company
> attorney George Marcus. The shares of Mozido Investments LLC are valued at
> \$55 million (broken down into 1000 units at \$55,000 each). That represents
> some 76% of Affinity Holdings, which owns 85% of Mozido LLC. So for this
> private round of money raising (pretty much all by me), the value of Mozido
> is closer to \$85 million - still very much a bargain but I apologize for not
> being perfectly accurate before. I simply did not know this detail.
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> Also, of COURSE there will be dilution in the number of share you will own
> in the future as new big investors come into the game. Michael would not
> just dilute his own personal holdings.
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> I suppose it would not actually be called a "dilution" if some investment
> bank or company decided to buy 10% of Mozido for \$60 million, and paid all
> that cash to all shareholders (you would have been converted automatically
> at that point). If that happened, you would own 90% of your original
> converted shares and walk away with your share of the cash (unless the board
> decided not to pay out any dividend). Mike says he wants to get everyone
> their money back and let the rest ride (or some small multiple back and let
> the rest ride). Since he is controlling stockholder, he can make that call.
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> IF you are interested in "what-if's" - I will try one for the fun of it.
> There are many things going on now that might conceivably increase the value
> of Mozido. But I am not referring to anything in particular here. Let's
> just say that something happened and it led an investment bank to invest \$50
> million for a 10% stake in the company. Again, not saying anything like
> this is going to happen, but if it did, Mozido would be worth \$500 million
> and your debentures would be converted immediately. If you invested \$55,000
> as an example, and that bought you 1/10% of Mozido Invesco LLC, that would
> represent about 65% of 1/10th of 1%. So if you apply that same 0.65% to
> \$500 million, you would get a total value out of that event of some \$325,000
> - assuming no fees or other costs (and there are none to count yet, but
> could be in the future). That would be the value of your percentage in the
> company, but then you would "own" 10% cash and 90% stock at that point.
> Your stock percentage of the company would be reduced but the company would
> now hold cash in its place.
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>
> Many other kinds of events can take place but remember, MIKE LIBERTY, PAUL
> HESS, AND RICK ANICETTI ARE ALL ALIGNED WITH THE EXACT SAME interests as all
> of you!! We are going for maximum value in the next one to two years.
> This should be one tremendous ride baby!
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>
> See if this diagram makes sense to you. And I realize neatness can be
> important, but I hope it does not "count" here as long as you can read it
> ok. Just did this in a hurry and did it free-hand without any
> software-application program.
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> Things are moving so fast now it is crazy. I will keep you updated to the
> extent I can. Without any official notification of events, we will need to
> talk on the phone and not use emails for any particulars.
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> Thanks Paul
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